ARRANGEMENT BETWEEN THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM AND THE GOVERNMENT OF THE REPUBLIC OF KOREA CONCERNING A LOAN FROM THE ECONOMIC DEVELOPMENT COOPERATION FUND

The Government of the Republic of Korea and the Government of the Socialist Republic of Vietnam (hereinafter referred to as "the Contracting Parties"),

In accordance with the Agreement between the Government of the Republic of Korea and the Government of the Socialist Republic of Vietnam concerning Loans from the Economic Development Cooperation Fund signed on12 April 1995.

Have agreed as follows:

Article 1

1. Government of the Republic of Korea shall enable the Government of the Socialist Republic of Vietnam to obtain a loan (hereinafter referred to as "the Loan") from the Export-Import Bank of Korea (hereinafter referred to as "the Bank"), the government agency for the Economic Development Cooperation Fund (hereinafter referred to as the "EDCF"), for the implementation of the Solid Waste Management Project in Vinh Phuc Province (hereinafter referred to as "the Project").

2.Borrower of the Loan shall be the Government of the Socialist Republic of Vietnam, acting by and through the Ministry of Finance.

3. Loan amount shall be denominated in Korean Won. The amount of the Loan shall not exceed the equivalent of Nineteen Million Five Hundred and Four Thousand US dollars (US $19,504,000) and shall be fixed in accordance with the relevant provisions of a loan agreement to be concluded between the Borrower and the Bank (hereinafter referred to as "the Loan Agreement").

Article 2

The terms and conditions of the Loan, as well as the procedures for its utilization, shall be governed by the Loan Agreement, which shall contain, inter alia, the following principles:

(a) The repayment period shall be thirty (30) years including a grace period of ten (10) years;

(b) The interest rate shall be one point zero percent (1.0%) per annum;

(c) The disbursement period shall be Forty-eight (48) months from the effective date of the Loan Agreement or such other period as the Borrower and the Bank agree upon;

(d) A service charge of one-tenth of one percent (0.1%) of the amount of each disbursement in case of a direct payment procedure, or of one-tenth of one percent (0.1%)of the amount specified in the letter of commitment in case of a commitment procedure, shall be collected by the Bank. All banking charges and/or costs for services rendered by commercial banks in connection with disbursements of the proceeds of the Loan, repayment of principal or payment of interest payable to the Bank under the Loan Agreement shall be subject to a banking arrangement to be concluded between the concerned commercial banks of the two countries; and

(e) In the event the Borrower fails to make payment of all or any portion of the principal of the Loan or any other amount when due under the Loan Agreement, the unpaid amount shall bear an overdue charge at the rate of two percent (2%) per annum above the interest rate.

Article 3

1. The eligible source country for the consulting services required for the Project shall be the Republic of Korea and the consultants shall be employed through competitive bidding among Korean consulting firms.

2.The eligible source country for the procurement of goods and services required for the Project shall be the Republic of Korea for the foreign currency portion and the Socialist Republic of Vietnam for the local currency portion. The suppliers of goods and services necessary for the implementation of the Project shall be selected through competitive bidding among Korean suppliers.

3. The consulting contract or the procurement contract shall be concluded within eighteen (18) months after the effective date of the Loan Agreement.

4. Details of the methods and procedures of procurement shall be governed by the Loan Agreement.

Article 4

In the event the funds available from the proceeds of the Loan are insufficient for the full implementation of the Project, the Borrower shall promptly make arrangements to provide such funds as are needed.

Article 5

The proceeds of the Loan shall be disbursed by the Bank to the Borrower, or to the supplier(s) or consultant(s) on behalf of the Borrower, in accordance with the progress of the Project, up to the amount of the Loan, and within the disbursement period specified in the Loan Agreement and in accordance with the disbursement procedure under the Loan Agreement.

Article 6

Other terms and conditions to be specified in the Loan Agreement shall be determined through negotiations between the Borrower and the Bank.

Article 7

This Arrangement shall enter into force on the date of signature and shall remain effective, unless otherwise agreed upon by the Contracting Parties, until the Borrower performs all the obligations under the Loan Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Arrangement.

DONE in duplicate at, Hanoi on 11 April, 2006, in the English language.

FOR THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM	FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA
Mr. Cao Viet Sinh	**Mr. Kim Eui-ki**
Vice Minister **Ministry of Planning and Investment**	**Ambassador Extraordinary and Plenipotentiary to Vietnam**